

22 March 2024

India | Equity Research | Company Update

Utkarsh Small Finance Bank

Financials

Best placed to play Uttar Pradesh's structural growth story

Utkarsh SFB (Utkarsh) has kick-started its lending journey in the states of UP and Bihar, and since inception (in FY10), it has developed strong demographic knowledge and built deep distribution network in these two states. We see Utkarsh's deep presence in under-penetrated states (of total 75 districts only 7 districts have >20% credit penetration in UP), enhanced product offering, proven track record of managing asset quality better than peers (write-offs during covid at 12% vs 15-20% for MFI players) and its rapidly evolving liability franchise (steady decline in cost of funds) ensuring sustainability of >18% RoE and >25% growth over FY24-26E. While its credit market share in Uttar Pradesh stood at sub 42bps, within SFB space, its market share stands at 40% as on Dec'23. Maintain **BUY** with an unchanged TP of INR 70, valuing the stock at 2x FY25E BVPS.

Best-in-class profitability

Utkarsh delivered 34% AUM CAGR between FY18-23 by diversifying its asset mix. As on Sep'23, non-MFI book contributed 38% of total AUM. Undisrupted growth, tight control on cost (C/I ratio at 56.5% vs 65% for Equitas vs 60% for Suryoday vs 57% for ESAF) and stable asset quality helped Utkarsh deliver industry-leading profitability – average RoE between FY21-23 stood at 12% vs 11% for Equitas vs 6% for Ujjivan and 0.03% for Suryoday.

Deep presence, strong brand name in under-penetrated states augur well for growth sustainability

Utkarsh started its lending journey in Varanasi, UP in FY10 with MFI lending. Over the next 10 years it remained committed in establishing a strong niche in UP before gradually expanding operations in neighbouring states. Utkarsh has clawed overall credit market share in UP – rising to 42bps by Dec'23 but we believe it is still nascent. Further, Utkarsh's branch distribution ranks among the top-5 players, especially in rural and semi urban markets. Also, Utkarsh's enhanced product offering (2W, gold loans, HL/LAP, MSME, CV/CE) would help it leverage general branch banking network (250 as on Dec'23).

Spike in credit cost to >2.5% during Q3FY24 was transitory

Credit cost during Q3FY24 increased to 2.7% vs 2.3% QoQ due to temporary cashflow mismatches resulting from higher holidays in Nov'23 (Diwali). Hence, management highlighted that drop in collection during Q3FY24 was transitory and the same would retrace to H1FY24 level in Q4FY24.

Financial Summary

Y/E March	FY23A	FY24E	FY25E	FY26E
NII (INR bn)	15.3	18.6	23.4	29.0
Op. profit (INR bn)	8.4	9.6	12.1	14.9
Net Profit (INR bn)	4.0	4.7	6.0	7.2
EPS (INR)	4.5	4.5	5.7	6.9
EPS % change YoY	560.8	(1.0)	27.5	21.3
P/E (x)	10.7	10.8	8.5	7.0
P/BV (x)	2.2	1.7	1.4	1.2
GNPA (%)	3.2	2.5	2.0	1.9
RoA (%)	2.4	2.1	2.1	2.0
RoE (%)	22.6	18.9	18.3	18.4

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Market Data

Market Cap (INR)	53bn
Market Cap (USD)	639mn
Bloomberg Code	UTKARSHB IN
	Equity
Reuters Code	UTKR.BO
52-week Range (INR)	68 /37
Free Float (%)	20.0
ADTV-3M (mn) (USD)	5.8

Price Performance (%)	3m	6m	12m
Absolute	(5.5)	(3.1)	0.0
Relative to Sensex	(8.0)	(12.8)	0.0

Previous Reports

30-01-2024: [Q3FY24 results review](#)01-01-2024: [Initiating Coverage](#)

Overall CD ratio remained significantly lower than pan-India level implying huge scope for credit penetration.

Private banks are appearing to be credit focused as reflected in >100% CD ratio for most, while PSU banks are more deposit focused.

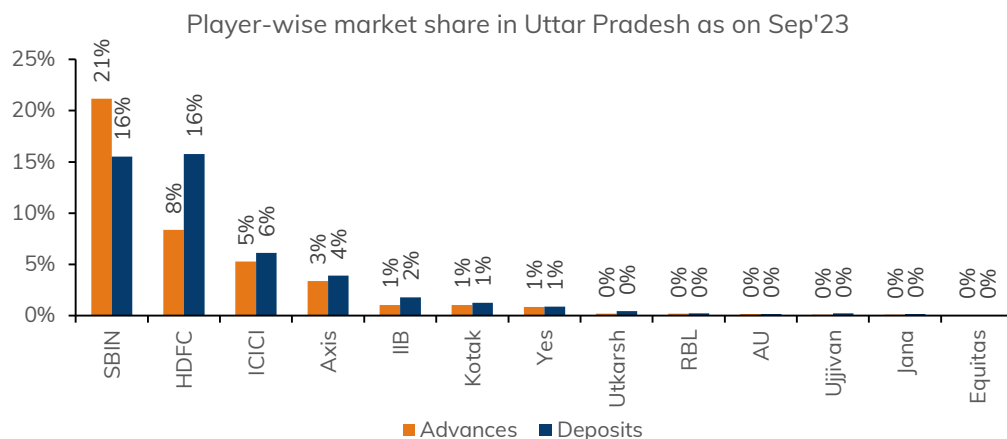
Within SFBs, AU & Equitas are more deposit focused while Utkarsh and Ujjivan are credit focused.

Exhibit 1: Financial landscape in Uttar Pradesh – CD ratio at 59% suggests huge scope for credit growth

Name of the bank	Total deposit (INR bn)	% of total deposits	Total advances (INR bn)	% of total advances	CD ratio
Public Sector Banks	11,473	68%	5,500	56%	48%
Bank of baroda	1,284	8%	736	7%	57%
Bank of India	459	3%	289	3%	63%
Canara Bank	845	5%	462	5%	55%
Central Bank of India	463	3%	172	2%	37%
Indian Bank	979	6%	508	5%	52%
Punjab National Bank	2,092	12%	982	10%	47%
Union Bank of India	1,253	7%	530	5%	42%
State Bank of India	3,558	21%	1,529	16%	43%
Bank of Maharashtra	57	0%	61	1%	106%
Indian Overseas Bank	193	1%	84	1%	44%
Punjab & Sind Bank	127	1%	71	1%	56%
UCO Bank	163	1%	75	1%	46%
Private Sector Banks	3,663	22%	3,163	32%	86%
Axis Bank	567	3%	385	4%	68%
Bandhan Bank	61	0%	80	1%	130%
Federal Bank	32	0%	33	0%	102%
HDFC Bank	1,408	8%	1,553	16%	110%
ICICI Bank	888	5%	603	6%	68%
IDBI Bank	141	1%	73	1%	52%
Indusind Bank	173	1%	175	2%	102%
J&K Bank	12	0%	7	0%	56%
Karnataka Bank	8	0%	5	0%	59%
Kotak Mahindra Bank	170	1%	123	1%	72%
South Indian Bank	11	0%	5	0%	41%
Yes Bank	140	1%	85	1%	60%
The Nainital Bank Ltd	19	0%	15	0%	77%
CSB Bank Limited	2	0%	2	0%	108%
RBL Bank	29	0%	20	0%	67%
Regional Rural Banks	1,205	7%	712	7%	59%
Aryavrat Gramin Bank	346	2%	251	3%	72%
Baroda Uttar Pradesh Gramin Bank	605	4%	275	3%	45%
Prathama UP Gramin Bank	254	2%	186	2%	73%
Co-operative Sector Banks	342	2%	273	3%	80%
U P Co-op Bank	342	2%	248	3%	72%
UPSGV Bank Ltd	0	0%	25	0%	
Small Finance Banks	105	1%	103	1%	99%
AU Small Finance Bank	23	0%	15	0%	66%
Equitas Small Finance Bank	6	0%	3	0%	51%
Jana Small Finance Bank	14	0%	13	0%	99%
Ujjivan Small Finance Bank	16	0%	19	0%	122%
Utkarsh Small Finance Bank	28	0%	41	0%	147%
Shivalik Small Finance Bank	19	0%	12	0%	62%
Payments Bank	26	0%	-	0%	0%
India Post Payments Bank	12	0%	-	0%	0%
Fino Payments Bank	0	0%	-	0%	0%
Paytm Payments Bank	13	0%	-	0%	0%
RIDF by NABARD	-	0%	100	1%	
Grand total	16,813	100%	9,852	100%	59%

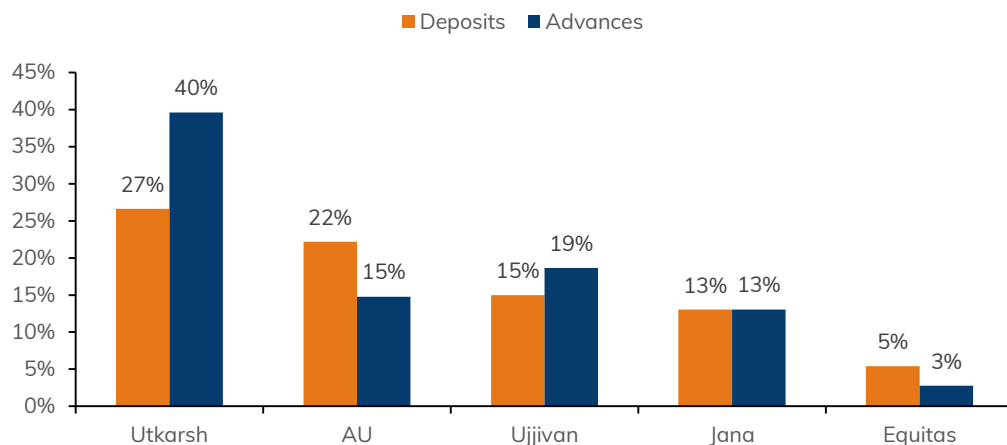
Source: State Level Bankers' Committee (UP)

Exhibit 2: While Utkarsh delivered >30% loan CAGR during past 5 years, its overall credit market share in UP remains at negligible level of ~40bps as on Dec'23...



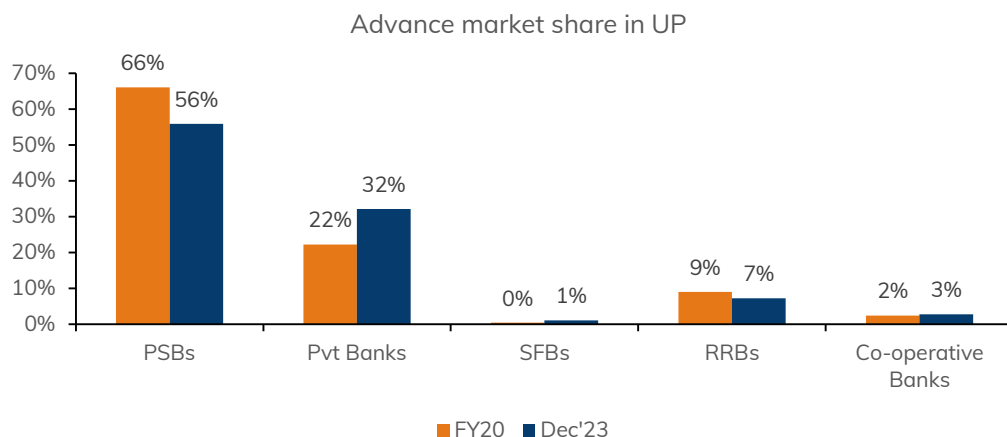
Source: State Level Bankers' Committee (UP)

Exhibit 3: ...however, within SFBs, Utkarsh commands strong 40% market share

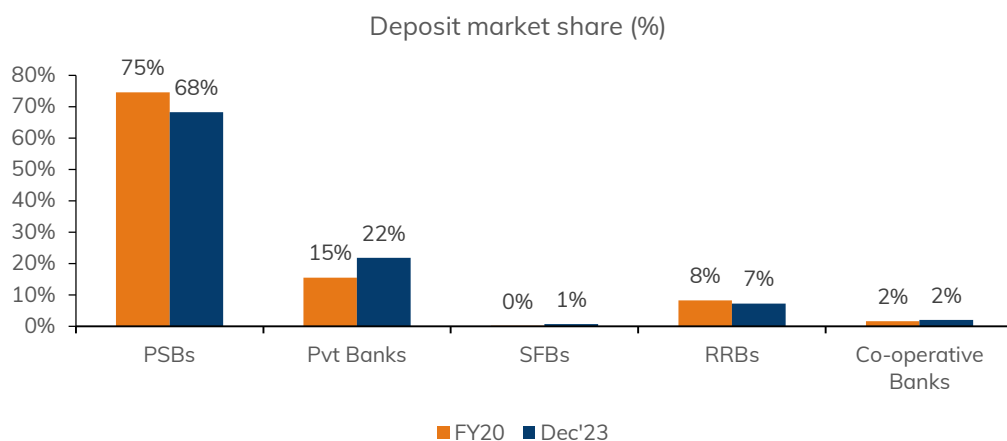


Source: State Level Bankers' Committee (UP)

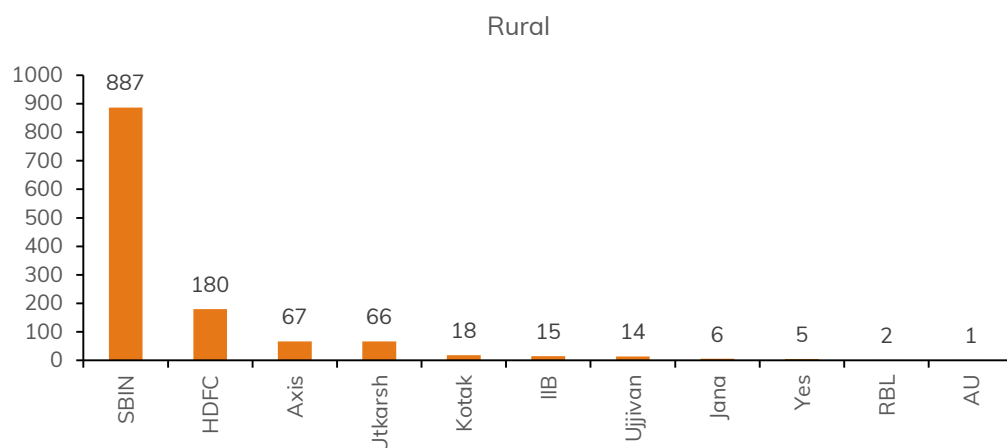
Exhibit 4: SFBs command 1% market share in total UP credit market – pvt banks and SFBs are gaining market share at the cost of PSBs...



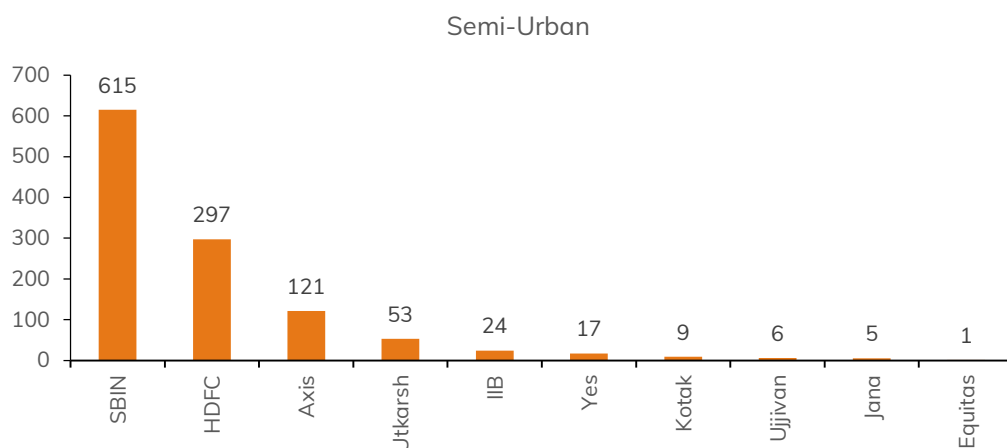
Source: State Level Bankers' Committee (UP)

Exhibit 5: ...similar trends have been witnessed in deposit market as well

Source: State Level Bankers' Committee (UP)

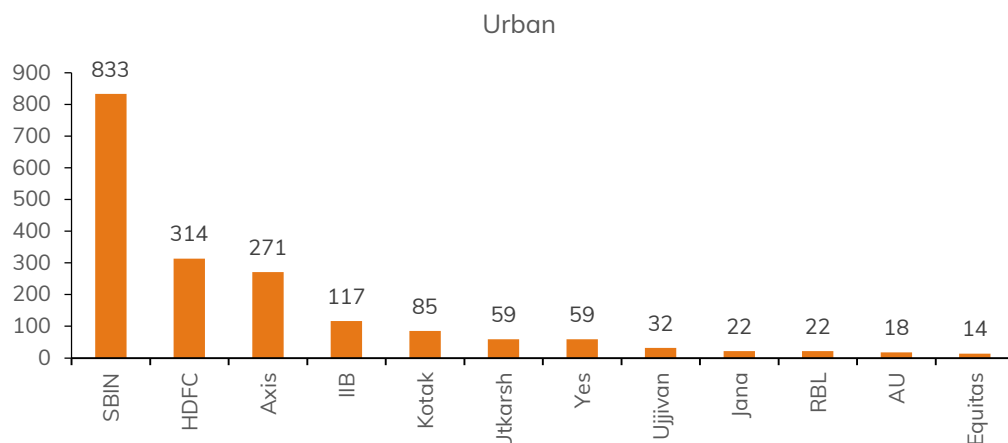
Exhibit 6: Utkarsh's branch network in rural region is amongst top-5 with 66 branches

Source: State Level Bankers' Committee (UP)

Exhibit 7: Utkarsh's branch network in semi-urban region at 53 is higher than IIB, YES, Kotak and other SFBs

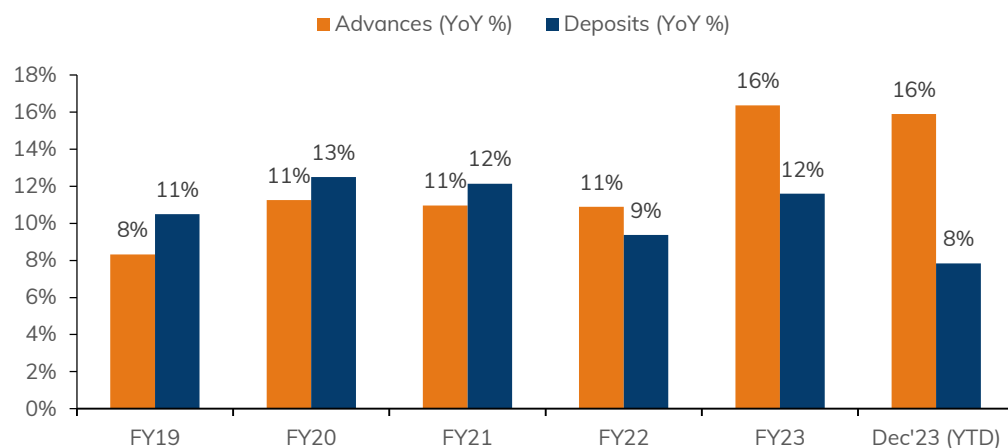
Source: State Level Bankers' Committee (UP)

Exhibit 8: Private banks are having deeper presence in urban pockets but Utkarsh is not far behind and its network is highest within SFB space



Source: State Level Bankers' Committee (UP)

Exhibit 9: Credit growth in Uttar Pradesh accelerated post covid as reflected in 16% YTD FY24 growth



Source: State Level Bankers' Committee (UP)

Exhibit 10: While Uttar Pradesh has been one of the fastest growing states in recent past, of total 75 districts in state only 7 have >20% credit penetration

District	Population	No. of credit accounts			Penetration %		
		Mar-22	Mar-23	Dec-23	Mar-22	Mar-23	Dec-23
Gautam Buddha Nagar	16,48,115	8,90,891	13,02,652	15,80,025	54%	79%	96%
Varanasi	36,76,841	12,55,892	15,41,335	16,96,589	34%	42%	46%
Lucknow	45,89,838	10,18,745	12,88,001	14,89,317	22%	28%	32%
Agra	44,18,797	12,36,667	8,87,605	13,77,091	28%	20%	31%
Bareilly	44,48,359	7,97,237	9,69,591	11,00,081	18%	22%	25%
Ghaziabad	46,81,645	5,75,405	8,29,233	9,74,901	12%	18%	21%
Kanpur Nagar	45,81,268	5,82,609	8,07,433	9,10,701	13%	18%	20%
Amethi	18,67,678	2,76,035	3,33,212	3,63,045	15%	18%	19%
Meerut	34,43,689	4,79,730	6,89,223	6,69,061	14%	20%	19%
Gorakhpur	44,40,895	5,08,149	6,60,177	8,39,113	11%	15%	19%
Jhansi	19,98,603	2,85,797	2,74,466	3,72,546	14%	14%	19%
Saharanpur	34,66,382	4,78,457	6,67,759	6,35,418	14%	19%	18%
Shamli	13,13,650	1,48,802	2,06,997	2,29,817	11%	16%	17%
Lalitpur	12,21,592	1,89,655	1,43,890	2,07,110	16%	12%	17%
Mathura	25,47,184	3,31,767	3,91,025	4,27,218	13%	15%	17%
Hapur	13,38,000	1,61,469	1,82,502	2,14,178	12%	14%	16%
Sant Kabir Nagar	17,15,183	1,29,950	2,67,915	2,69,588	8%	16%	16%
Aligarh	36,73,889	4,49,208	5,44,550	5,61,561	12%	15%	15%
Amroha	18,40,221	2,57,253	1,50,466	2,77,238	14%	8%	15%
Muzaffarnagar	41,43,512	3,18,520	4,65,156	6,18,283	8%	11%	15%
Hathras	15,64,708	1,86,811	2,14,016	2,25,447	12%	14%	14%
Etawah	15,81,810	1,38,002	1,94,880	2,20,963	9%	12%	14%
Bijnor	36,82,713	4,19,297	5,66,370	5,14,115	11%	15%	14%
Bulandshahr	34,99,171	4,07,726	4,23,330	4,80,046	12%	12%	14%
Firozabad	24,98,156	2,28,270	3,57,723	3,41,306	9%	14%	14%
Mahoba	8,75,958	1,09,232	1,32,885	1,18,094	12%	15%	13%
Kushi Nagar	35,64,544	4,47,820	4,43,057	4,77,024	13%	12%	13%
Pryagraj	59,54,391	6,06,235	8,53,041	7,84,510	10%	14%	13%
Barabanki	32,60,699	4,17,980	4,37,164	4,18,823	13%	13%	13%
Baghpat	13,03,048	1,26,854	1,97,208	1,66,171	10%	15%	13%
Hamirpur	11,04,285	1,27,800	1,50,898	1,39,746	12%	14%	13%
Etah	17,74,480	1,81,799	2,10,089	2,23,121	10%	12%	13%
Rampur	23,35,819	2,71,054	1,70,561	2,93,435	12%	7%	13%
Kannauj	16,56,616	1,85,179	1,94,705	2,06,385	11%	12%	12%
Ayodhya	24,70,996	2,05,765	2,78,988	3,06,329	8%	11%	12%
Sonbhadra	18,62,559	2,44,230	2,57,048	2,28,650	13%	14%	12%
Shahjahanpur	30,06,538	3,09,650	3,47,766	3,68,496	10%	12%	12%
Pilibhit	20,31,007	1,85,947	2,85,918	2,42,243	9%	14%	12%
Chitrakoot	9,91,730	1,20,275	1,21,569	1,15,180	12%	12%	12%
Raebareli	34,05,559	2,98,323	3,89,917	3,92,745	9%	11%	12%
Farrukhabad	18,85,204	1,78,597	2,00,544	2,13,652	9%	11%	11%
Deoria	31,00,946	2,74,548	3,17,776	3,50,821	9%	10%	11%
Mau	22,05,968	1,62,796	2,55,625	2,48,717	7%	12%	11%
Sambhal	21,92,933	2,30,055	1,53,479	2,43,820	10%	7%	11%
Lakhimpur Kheri	40,21,243	3,95,970	4,26,951	4,45,935	10%	11%	11%
Kanpur Dehat	17,96,184	1,92,364	1,83,397	1,96,747	11%	10%	11%
Jalaun	16,89,974	1,66,946	2,19,267	1,85,051	10%	13%	11%
Ambedkar Nagar	23,97,888	2,27,410	2,50,346	2,62,544	9%	10%	11%
Kashganj	14,36,719	1,34,127	1,50,440	1,56,900	9%	10%	11%
Mainpuri	18,68,529	1,65,403	2,01,842	2,03,727	9%	11%	11%
Maharajganj	26,84,703	2,31,751	2,61,371	2,90,811	9%	10%	11%
Jaunpur	44,94,204	4,15,634	4,42,487	4,79,815	9%	10%	11%

District	Population	No. of credit accounts			Penetration %		
		Mar-22	Mar-23	Dec-23	Mar-22	Mar-23	Dec-23
Banda	17,99,410	1,81,823	1,82,578	1,89,939	10%	10%	11%
Mirzapur	24,96,970	2,45,086	3,14,149	2,62,740	10%	13%	11%
Budaun	31,29,000	2,76,483	2,35,399	3,25,950	9%	8%	10%
Chandauli	19,52,756	1,81,364	1,89,282	1,99,216	9%	10%	10%
Basti	24,64,464	2,01,920	2,35,794	2,48,556	8%	10%	10%
Bhadohi	15,78,213	2,11,430	1,42,726	1,55,706	13%	9%	10%
Moradabad	47,72,006	3,70,048	14,14,397	4,69,326	8%	30%	10%
Ghazipur	36,20,268	2,97,259	3,25,861	3,55,578	8%	9%	10%
Bahraich	34,87,731	2,47,259	3,07,349	3,42,513	7%	9%	10%
Hardoi	40,92,845	4,00,450	3,78,927	3,98,303	10%	9%	10%
Gonda	34,33,919	2,88,234	1,71,636	3,28,108	8%	5%	10%
Fatehpur	26,32,733	2,33,909	2,20,518	2,50,450	9%	8%	10%
Sitapur	44,83,992	3,49,811	4,00,024	4,19,046	8%	9%	9%
Unnao	31,08,367	2,66,457	2,75,810	2,82,421	9%	9%	9%
Kaushambi	15,99,596	1,12,054	1,74,911	1,44,239	7%	11%	9%
Pratapgarh	32,09,141	2,07,704	2,71,375	2,88,355	6%	8%	9%
Shravasti	11,17,361	87,844	90,207	1,00,028	8%	8%	9%
Ballia	32,39,774	2,41,781	2,61,854	2,79,468	7%	8%	9%
Auraiya	13,79,545	89,316	1,05,029	1,15,659	6%	8%	8%
Azamgarh	46,13,913	3,19,928	3,60,334	3,83,951	7%	8%	8%
Balrampur	21,48,665	1,36,813	86,066	1,58,586	6%	4%	7%
Sultanpur	37,97,117	2,03,396	2,40,078	2,60,543	5%	6%	7%
Siddharthanagar	25,59,297	1,38,946	1,51,824	1,75,468	5%	6%	7%
State total	20,59,71,706	2,36,55,403	2,84,29,974	3,04,88,399	11%	14%	15%

Source: State Level Bankers' Committee (UP)

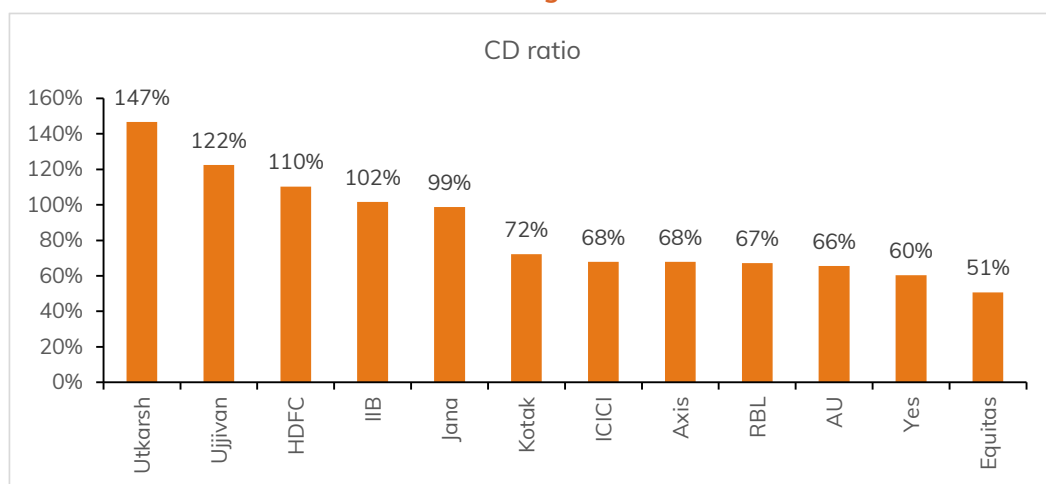
Exhibit 11: District-wise CD ratio – even in highly penetrated districts like Gautam Nagar, Varanasi, Lucknow, Agra etc. CD ratio is well below national average

Name of the district	Total deposit (INR bn)	% of total	Cumulative %	Total advances (INR bn)	% of total	Cumulative %	CD ratio
Gautam Buddha Nagar	1,886	11%	11%	1,248	14%	14%	66.2%
Lucknow	2,630	16%	27%	1,202	13%	27%	45.7%
Kanpur Nagar	1,006	6%	33%	523	6%	33%	52.0%
Ghaziabad	929	6%	38%	523	6%	38%	56.3%
Agra	554	3%	42%	380	4%	43%	68.5%
Varanasi	608	4%	45%	320	4%	46%	52.7%
Meerut	494	3%	48%	271	3%	49%	54.8%
Pryagraj	638	4%	52%	251	3%	52%	39.4%
Bareilly	329	2%	54%	222	2%	54%	67.5%
Gorakhpur	421	3%	56%	212	2%	57%	50.3%
Moradabad	278	2%	58%	170	2%	58%	61.4%
Muzaffarnagar	194	1%	59%	156	2%	60%	80.3%
Aligarh	299	2%	61%	153	2%	62%	50.9%
Saharanpur	217	1%	62%	148	2%	63%	68.4%
Mathura	234	1%	64%	141	2%	65%	60.4%
Bijnor	192	1%	65%	114	1%	66%	59.3%
Jhansi	219	1%	66%	110	1%	68%	50.2%
Bulandshahr	196	1%	67%	110	1%	69%	56.0%
Lakhimpur Kheri	127	1%	68%	94	1%	70%	74.2%
Shahjahanpur	115	1%	69%	90	1%	71%	78.0%
Barabanki	114	1%	69%	82	1%	72%	72.0%
Raebareli	163	1%	70%	80	1%	73%	48.9%

Name of the district	Total deposit (INR bn)	% of total	Cumulative %	Total advances (INR bn)	% of total	Cumulative %	CD ratio
Jaunpur	215	1%	72%	79	1%	73%	36.9%
Firozabad	110	1%	72%	77	1%	74%	70.4%
Azamgarh	219	1%	74%	73	1%	75%	33.4%
Bahraich	93	1%	74%	71	1%	76%	76.9%
Ghazipur	190	1%	75%	71	1%	77%	37.4%
Sitapur	121	1%	76%	70	1%	77%	57.8%
Ayodhya	200	1%	77%	68	1%	78%	33.8%
Hardoi	125	1%	78%	67	1%	79%	53.8%
Rampur	88	1%	79%	65	1%	80%	74.3%
Hapur	93	1%	79%	65	1%	80%	69.5%
Budaun	80	0%	80%	64	1%	81%	80.4%
Gonda	121	1%	80%	60	1%	82%	49.3%
Pilibhit	70	0%	81%	59	1%	82%	85.3%
Deoria	146	1%	82%	59	1%	83%	40.5%
Amroha	76	0%	82%	58	1%	84%	76.7%
Sonbhadra	107	1%	83%	54	1%	84%	50.7%
Kushi Nagar	105	1%	83%	54	1%	85%	51.0%
Mirzapur	117	1%	84%	53	1%	85%	45.4%
Pratapgarh	147	1%	85%	51	1%	86%	34.9%
Fatehpur	102	1%	85%	50	1%	86%	48.9%
Sambhal	57	0%	86%	49	1%	87%	86.2%
Etah	66	0%	86%	49	1%	88%	74.3%
Mainpuri	72	0%	87%	48	1%	88%	67.2%
Hathras	72	0%	87%	48	1%	89%	67.2%
Unnao	147	1%	88%	47	1%	89%	32.2%
Sultanpur	111	1%	89%	47	1%	90%	42.3%
Ballia	154	1%	89%	46	1%	90%	30.1%
Ambedkar Nagar	88	1%	90%	46	1%	91%	52.5%
Basti	107	1%	91%	46	1%	91%	42.7%
Maharajganj	68	0%	91%	45	0%	92%	67.0%
Etawah	96	1%	92%	44	0%	92%	46.5%
Amethi	90	1%	92%	42	0%	93%	46.7%
Farrukhabad	80	0%	93%	42	0%	93%	52.3%
Chandauli	87	1%	93%	42	0%	94%	47.8%
Mau	111	1%	94%	41	0%	94%	36.8%
Shamli	63	0%	94%	41	0%	94%	64.9%
Baghpat	81	0%	95%	40	0%	95%	49.6%
Lalitpur	49	0%	95%	39	0%	95%	79.8%
Kannauj	60	0%	95%	39	0%	96%	64.6%
Jalaun	80	0%	96%	38	0%	96%	47.9%
Banda	74	0%	96%	37	0%	97%	50.6%
Bhadohi	77	0%	97%	35	0%	97%	45.4%
Kanpur Dehat	67	0%	97%	33	0%	97%	48.6%
Balrampur	60	0%	97%	30	0%	98%	49.0%
Siddharth Nagar	72	0%	98%	29	0%	98%	40.8%
Kashganj	38	0%	98%	29	0%	98%	74.7%
Sant Kabir Nagar	59	0%	98%	27	0%	99%	45.8%
Hamirpur	47	0%	99%	27	0%	99%	56.3%
Auraiya	59	0%	99%	25	0%	99%	42.5%
Mahoba	41	0%	99%	24	0%	99%	58.4%
Kaushambi	52	0%	100%	23	0%	100%	44.1%
Chitrakoot	38	0%	100%	20	0%	100%	52.6%
Shravasti	24	0%	100%	14	0%	100%	58.9%

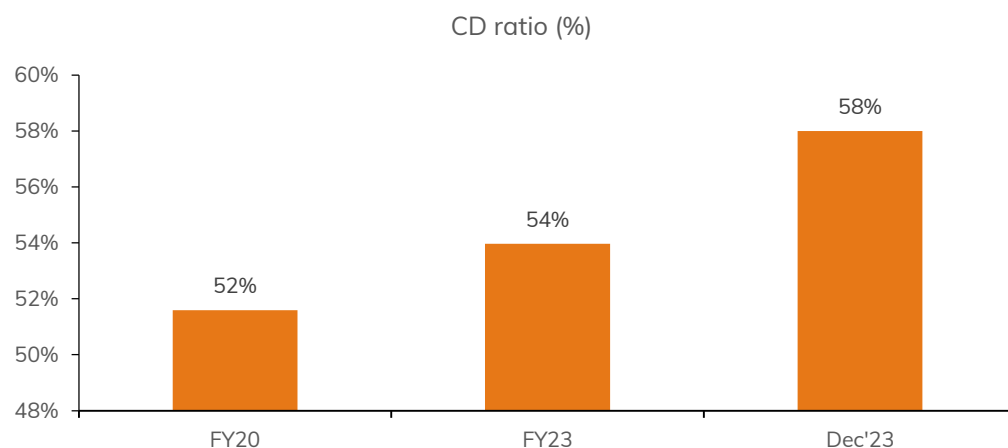
Source: State Level Bankers' Committee (UP)

Exhibit 12: Utkarsh is leveraging its strong demographic knowledge and deep distribution on asset side as reflected in highest CD ratio in UP



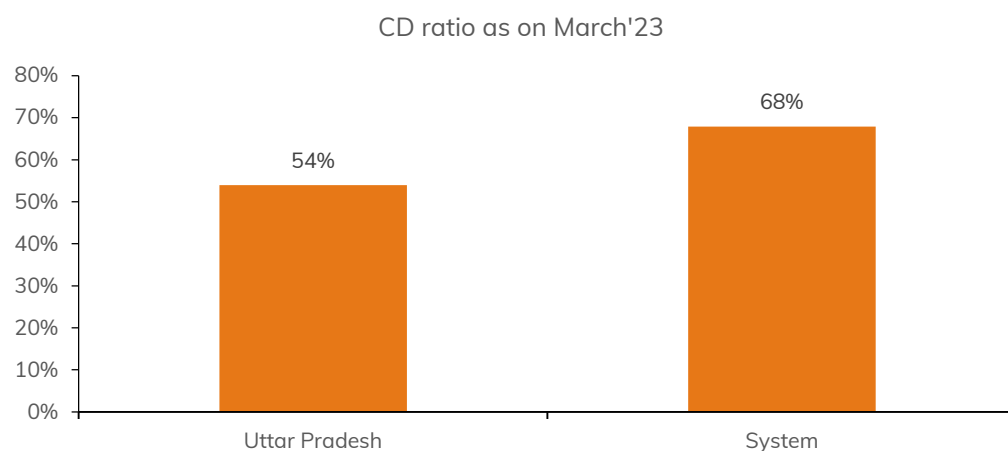
Source: State Level Bankers' Committee (UP)

Exhibit 13: CD ratio in UP accelerated to 58% by Dec'23...

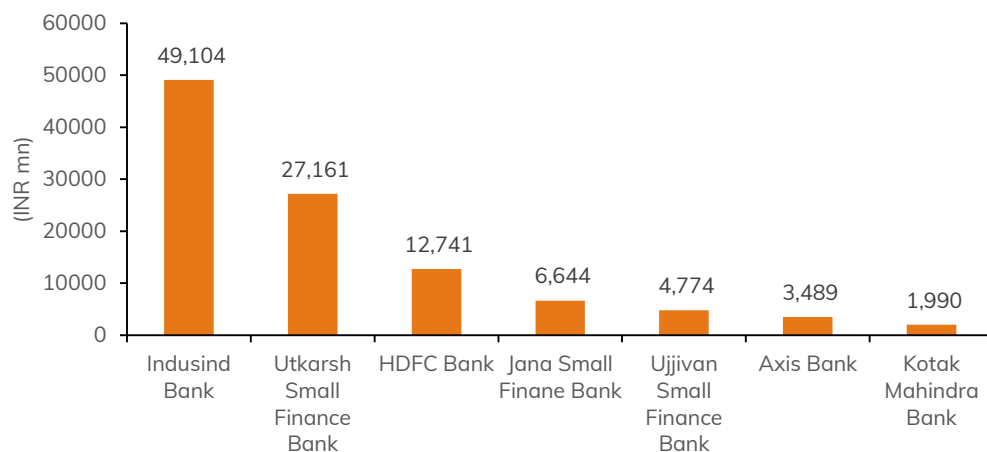


Source: State Level Bankers' Committee (UP)

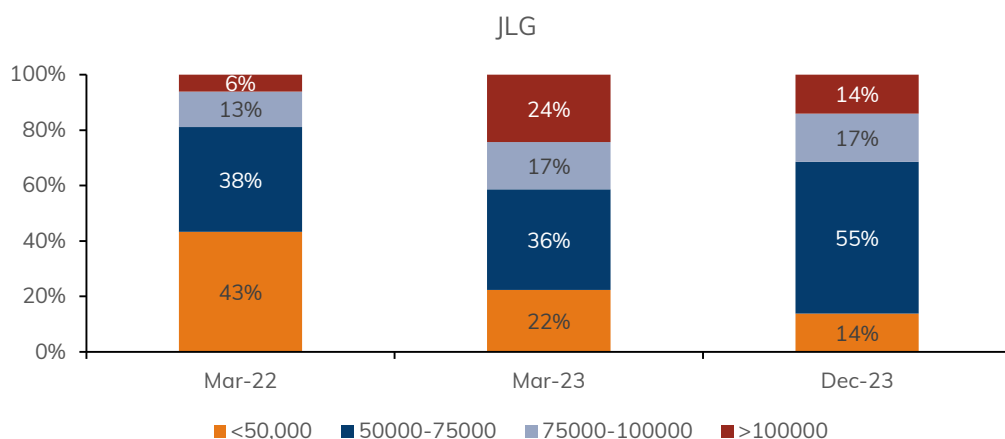
Exhibit 14: ...however, the same is still below national average of 68%



Source: Company data, I-Sec research, State Level Bankers' Committee (UP)

Exhibit 15: IIB and Utkarsh have the highest MFI exposure in UP

Source: State Level Bankers' Committee (UP)

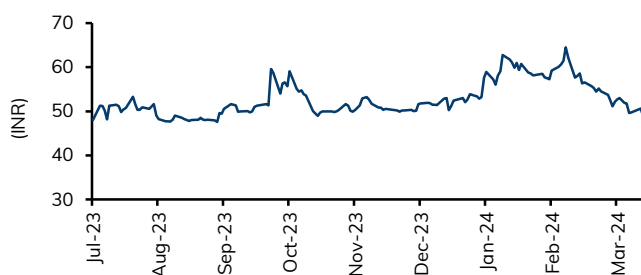
Exhibit 16: Sharp decline in <50,000 ticket size loans post covid

Source: State Level Bankers' Committee (UP)

Exhibit 17: Shareholding pattern

%	Jul'23	Sep'23	Dec'23
Promoters	69.3	69.3	69.2
Institutional investors	15.9	15.1	12.0
MFs and others	6.9	8.9	6.5
FIs/Banks	1.5	0.0	0.0
Insurance	4.4	4.1	3.4
FIIIs	3.1	2.1	2.1
Others	14.8	15.6	18.8

Source: Bloomberg

Exhibit 18: Price chart

Source: Bloomberg

Financial Summary

Exhibit 19: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Interest income	25,050	32,244	40,411	50,133
Interest expense	(9,759)	(13,691)	(16,970)	(21,149)
Net interest income	15,290	18,553	23,441	28,984
Non interest income	2,993	3,525	4,444	5,582
Operating income	18,283	22,079	27,885	34,566
Operating expense	(9,900)	(12,464)	(15,782)	(19,646)
- Staff expense	(5,701)	(7,326)	(9,357)	(11,696)
Pre-provisions profit	8,383	9,615	12,103	14,920
Core operating profit	8,383	9,615	12,103	14,920
Provisions & Contingencies	(3,081)	(3,350)	(4,113)	(5,230)
Pre-tax profit	5,302	6,265	7,991	9,690
Tax (current + deferred)	(1,257)	(1,579)	(2,014)	(2,442)
Net Profit	4,045	4,686	5,977	7,248
% Growth	561.0	15.9	27.5	21.3

Source Company data, I-Sec research

Exhibit 20: Balance sheet

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Capital	8,959	13,959	13,959	13,959
Reserve & surplus	11,044	15,730	21,707	28,956
Deposits	1,37,101	1,89,530	2,44,608	3,16,760
Borrowings	23,495	15,531	15,149	10,512
Other liabilities	10,576	17,058	22,015	28,508
Total equity and liabilities	1,91,175	2,51,809	3,17,438	3,98,695
Cash and Bank balance	25,164	24,607	25,976	32,727
Investments	28,594	39,801	51,368	66,520
Advances	1,39,571	1,79,446	2,31,821	2,91,207
Fixed assets	3,033	4,257	4,577	4,544
Other assets	3,697	3,697	3,697	3,697
Total assets	1,91,175	2,51,809	3,17,438	3,98,695
% Growth	26.9	31.7	26.1	25.6

Source Company data, I-Sec research

Exhibit 21: Key ratios

(Year ending March)

	FY23A	FY24E	FY25E	FY26E
No. of shares and per share data				
No. of shares (mn)	896	1,048	1,048	1,048
Adjusted EPS (Rs)	4.5	4.5	5.7	6.9
Nominal Book Value per share (Rs)	22	28	34	41
Adjusted BVPS (Rs)	22	28	34	40
Subs Value per share (Rs)	-	-	-	-
Valuation ratio				
PER (x)	10.7	10.8	8.5	7.0
Price/ Nominal Book (x)	2.2	1.7	1.4	1.2
Price/ Adjusted book (x)	-	-	-	-
Dividend Yield (%)	-	-	-	-
Profitability ratio				
Yield on advances (%)	18.5	18.8	18.2	17.7
Yields on Assets	15.2	15.1	14.6	14.3
Cost of deposits (%)	6.6	7.2	7.1	7.1
Cost of funds	6.8	7.5	7.3	7.2
NIMs (%)	9.3	8.7	8.5	8.3
Cost/Income (%)	54.1	56.5	56.6	56.8
Dupont Analysis (as % of Avg Assets)				
Interest Income	14.7	14.6	14.2	14.0
Interest expended	(5.7)	(6.2)	(6.0)	(5.9)
Net Interest Income	8.9	8.4	8.2	8.1
Non-interest income	1.8	1.6	1.6	1.6
Total Income	10.7	10.0	9.8	9.7
Staff costs	(3.3)	(3.3)	(3.3)	(3.3)
Non-staff costs	-	-	-	-
Total Cost	(5.8)	(5.6)	(5.5)	(5.5)
PPoP	4.9	4.3	4.3	4.2
Non-tax Provisions	(1.8)	(1.5)	(1.4)	(1.5)
PBT	3.1	2.8	2.8	2.7
Tax Provisions	(0.7)	(0.7)	(0.7)	(0.7)
ROA (%)	2.4	2.1	2.1	2.0
Leverage (x)	9.6	8.9	8.7	9.1
ROE (%)	22.6	18.9	18.3	18.4
Asset quality ratios				
Gross NPLs (%)	3.2	2.5	2.0	1.9
Net NPLs (%)	0.4	0.2	0.2	0.2
PCR (%)	88.3	90.0	90.0	90.0
Gross Slippages (% of PY loans)	4.9	2.3	1.9	1.8
Credit cost as a % of AUM	2.5	2.1	2.0	2.0
Net NPLs / Networth (%)	2.5	1.5	1.3	1.3
Capitalisation ratios				
Core Equity Capital (%)	-	-	-	-
Tier I cap.adequacy (%)	18.3	20.7	19.4	18.8
Total cap.adequacy (%)	20.6	22.0	20.5	19.6

Source Company data, I-Sec research

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